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**TAX COMMISSION
90 DAY FOLLOW-UP**

On January 19, 2010, the Legislative Services Office released a Management Report for the Tax Commission for fiscal years 2006, 2007, and 2008. The Commission was contacted on April 19, 2010 and this report addresses how the Commission has responded to the one finding and recommendation contained in that report.

FINDING 1

The summons process is not used in all cases where taxpayers fail to provide evidence for audit purposes.

We recommended that the Commission establish guidelines for the audit staff to request and document guidance from the Commission's legal staff in situations where the taxpayer fails to provide requested evidence. This documentation should include the reasons for not using the summons process. We also recommended that the Commission develop procedures for the legal staff to provide guidance to the audit staff without creating an independence issue on protest cases.

AUDIT FOLLOW-UP

The Commission has implemented a policy for the legal staff to work with the audit staff to address legal issues that arise during audits, including the use of summons. The decision to use a summons is determined on a case-by case basis, and includes the joint consideration of the audit and legal staff. To track the auditors' requests for legal advice, the Commission has implemented a formal tracking system to ensure that the legal staff addresses all requests timely and adequately.

STATUS: CLOSED